

Glasford Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 1,060,439	\$ 120,000	\$ 1,180,439
2	Materials and Supplies Inventory	Page 2, 13-Month Average	9,593		9,593
3	Customer Deposits	Form 23A, P 8, 4040	12,730	-	12,730
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,177,302
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	596,564	-	596,564
8	Less: Depreciation Expense	Form 23A, P 13, 6560	130,131	-	130,131
9	Total WC Operating Expense	line 7 - line 8	466,433	-	466,433
10	WC OE Requirement	line 9 * 45 / 360			58,304
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			58,304
13	Total Rate Base	line 5 + line 12			1,235,606
14	Total Operating Revenues	Form 23A, P 11, Total	748,392	-	748,392
15	Less: Illinois High Cost Fund		11,196	-	11,196
16	Net Operating Revenues	line 14 - line 15	737,196	-	737,196
17	Total Operating Expenses	Form 23A, P 14, Total	596,564	-	596,564
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	4,329	-	4,329
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	136,303	-	136,303
21	Income Tax Expense	line 34			-
22	Net Operating Income	line 20 - line 21			136,303
23	Return on Rate Base	line 22 / line 13			11.03%
24	After-tax Cost of Capital				12.60%
25	Target Net Operating Income	line 24 * line 13			155,686
26	Adj to Achieve Target Return on RB	line 25 - line 22			19,383
27	Gross Revenue Conversion Factor	line 35			1.0000
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			19,383
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			136,303
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			-
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			136,303
33	Federal Income Tax Expense	line 32 * 34.00%			-
34	Total Imputed Income Tax Expense	line 31 + line 33			-
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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Material & Supplies Worksheet and Other Information

Line #

1	December-99	\$9,500
2	January-00	\$9,500
3	February-00	\$9,500
4	March-00	\$9,500
5	April-00	\$9,500
6	May-00	\$9,500
7	June-00	\$9,500
8	July-00	\$9,702
9	August-00	\$9,702
10	September-00	\$9,702
11	October-00	\$9,702
12	November-00	\$9,702
13	December-00	\$9,702
14	13 Month Average	\$9,593

Sale/Lease Back Arrangement

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The company does not have any sale(s)/lease back arrangement.
The company does have sale(s)/lease back arrangement and has provided additional information to staff.

Lease Agreement with Affiliates

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The company does not have any lease agreements with affiliates.
The company does have lease agreements with affiliates and has provided additional information to staff.

Trial Balances

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

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 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 124,235
2	State Subscriber Line Charges	Trial Balance 12/31/00	
3	State Access Revenues	Trial Balance 12/31/00	\$ 213,540
4	State High Cost Support	Exhibit X, Line 15	\$ 11,196
5	State Special Access Revenues	Trial Balance 12/31/00	\$ -
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 348,971
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 61,840
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 226,449
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 78,681
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ -
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 366,970
12	Misc Revenues	Trial Balance 12/31/00	\$ 32,451
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 748,392</u>